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## TECHNICAL BULLETIN No. 001

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TITLE **Delegation of Procurement Authority**  
REVISION **Number 2**

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### I. Authority

#### A. Applicable Statute

- A.R.S. § 41-2511 Authority of the Director
- A.R.S. § 41-2512 Delegation of Authority by the Director

#### B. Applicable Administrative Code

- A.A.C. R2-7-201 State Procurement Administrator: Duties and Qualifications
- A.A.C. R2-7-202 Delegation of Procurement Authority to State Governmental Units
- A.A.C. R2-7-203 Agency Chief Procurement Officer
- A.A.C. R2-7-A301 Source Selection Method: Determining Factors

#### C. Applicable Technical Bulletins

- SPO Technical Bulletin No. 007: Procurement Compliance Reviews

### II. Revision Note

This Technical Bulletin revises and supersedes PCAP Technical Bulletin No. 3, Revision No. 1 (issued April 2006).

### III. Specific Authority

R2-7-202 Delegation of Procurement Authority to State Governmental Units lists the criteria and guidelines in delegating procurement authority and the responsibilities of State Governmental Units.

R2-7-203 Agency Chief Procurement Officer allows the State Governmental Unit's chief procurement officer to further delegate procurement authority within the purchasing agency, within the limits specified by the State Procurement Administrator.

### IV. Definitions

Where set forth in normal font, the following definitions are directly from the Arizona Procurement Code. Expanded or additional definitions are in *Italics* from sources noted.



- A. **Arizona state contract** means a contract established or authorized by the State Procurement Administrator for use by State Governmental Units and eligible procurement units.
- B. **Agency Chief Procurement Officer** means the person within a purchasing agency, as identified by the state governmental agency head, who is acting under specific, written authority from the State Procurement Administrator in accordance with R2-7-202 or any person delegated that authority, in writing, under R2-7-203. The term does not include any other Procurement Officer within a State Governmental Unit who does not have this written delegation of authority.
- C. **Director** means the Director of the Department of Administration.
- D. **Governor's Executive Order** means *an order issued by the Governor of Arizona to establish boards or commissions or to authorize the performance of other functions that are appropriate to the executive authority of the Governor. (Source: AZ State Library, Archives and Public Records, Law and Research Library Div.)*
- E. **Purchasing agency** means any State Governmental Unit which is authorized by the Arizona Procurement Code (APC) or rules adopted pursuant to the APC chapter, or by way of delegation from the Director, to enter into contracts.
- F. **State Procurement Office** means an office that acts under the authority delegated to the State Procurement Administrator.
- G. **Strategic Contracting Center (SCC)** means *an executive branch agency delegated by the Director of the Arizona Department of Administration to carry out the procurement and contract management activities for specific state contracts. (Source: Executive Order 2005-01)*
- H. **State Governmental Unit** means any department, commission, council, board, bureau, committee, institution, agency, government corporation or other establishment or official of the executive branch or corporation of this state.

## V. Statement of Policy

It is the policy of the State of Arizona that:

The State Procurement Administrator shall delegate procurement authority to State Governmental Units.

- A. The term for all delegations of authority shall be three years, unless determined otherwise by the State Procurement Administrator.
- B. The State Procurement Administrator shall delegate procurement authority based on the following factors as they pertain to the State Governmental Unit's circumstances:



1. The procurement expertise, education, certification, knowledge, experience, and performance of the State Governmental Unit's Agency Chief Procurement Officer;
  2. The qualifications of procurement personnel within the State Governmental Unit (Refer to Attachment 1, "Guidelines for State Governmental Unit Procurement Personnel Qualifications";
    - a. Procurement training and experience
    - b. Procurement certifications held by staff
  3. Impact of the delegation on the State Governmental Unit's procurement efficiency and effectiveness;
  4. The State Governmental Unit's compliance with the Arizona Procurement Code, applicable Governor's Executive Orders, State Procurement Office issued Technical Bulletins and delegation agreement;
  5. The State Governmental Unit's administrative procurement practices, table of organization, procurement processes and procedures, and other factors deemed relevant by the State Procurement Administrator; and
  6. Business needs of the State Governmental Unit.
- C. The agency Director or Chief Procurement Officer shall maintain and provide to the State Procurement Administrator a current list of all employees with delegated authority. This list shall be kept up to date in accordance with the letter of delegated authority.
- D. The State Procurement Administrator shall delegate procurement authority to a State Governmental Unit based on the following categories. In addition to dollar limits, the State Procurement Administrator may include other conditions which limit a State Governmental Unit's procurement authority.
1. **Limited:** This category of delegated authority shall be issued with one of the following designated procurement dollar limits for competitive procurements. However, no procurement dollar limits are imposed on purchases from mandatory Arizona state contracts by State Governmental Units.
    - a. \$0 up to \$10,000
    - b. \$0 up to \$50,000
    - c. \$0 up to \$250,000



- d. \$0 up to \$500,000
  - e. \$0 up to \$1,000,000
- 2. **Supplemental one-time only:** This category of delegated authority is a one-time delegated authority granted for special contracts that exceed the State Governmental Unit's delegated authority.
- 3. **Unlimited:** This category of delegated authority has no maximum designated procurement dollar limit.
- E. The State Procurement Administrator retains all authorities and duties delegated to an agency Chief Procurement Officer at the State Governmental Unit.
  - 1. The State Procurement Administrator may revoke, suspend, or modify a State Governmental Unit's delegated authority for failure to comply with A.R.S. Title 41, Chapter 23 or A.A.C. Title 2, Chapter 7, applicable Governor's Executive Orders, State Procurement Office issued Technical Bulletins and delegation agreement.
  - 2. The State Governmental Unit shall involve the State Procurement Administrator in the selection process of the State Governmental Unit's Chief Procurement Officer. The State Governmental Unit shall notify the State Procurement Administrator prior to hiring its Chief Procurement Officer. The State Governmental Unit shall submit the selected candidates' resume' to the State Procurement Administrator for review prior to making an offer of employment. The State Procurement Administrator may make comments regarding the expertise, knowledge and education of the candidate which may affect the State Governmental Unit's delegated authority.
  - 3. The State Governmental Unit shall report to the State Procurement Administrator any significant changes that may affect the State Governmental Unit's compliance with the delegation criteria including changes in procurement personnel, procurement training taken and sub-delegation levels.
- F. Oversight, Monitoring and Review of Assigned Delegations

To ensure that State Governmental Units exercise purchasing authority in accordance with their delegation agreement, the Arizona Procurement Code, applicable Governor's Executive Orders and State Procurement Office issued Technical Bulletins, the State Procurement Office Compliance Unit shall perform periodic procurement performance reviews. SPO Technical Bulletin No. 007, "Procurement Compliance Reviews" describes this program in detail.



## Effective

This Technical Bulletin is hereby effective this 6th day of May, 2008, unless otherwise revised or repealed.

Statute, Administrative Rule, and Executive Orders shall prevail in the event of a discrepancy between this policy and applicable Statute, Administrative Rule, or Executive Orders.

## Signature

A handwritten signature in blue ink that reads "Jean A. Clark". The signature is written in a cursive style with a large, stylized "J" and "C".

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Jean A. Clark, CPPO, C.P.M., CPPB, CPM  
State Procurement Administrator



## Attachment 1

### Guidelines for State Governmental Unit Procurement Personnel Qualifications

POSITION TITLE AND GRADE	RECOMMENDED DELEGATION LEVELS	RECOMMENDED REQUIREMENTS Training, Education, Certification, Experience
<b>Procurement Associate or comparable classification</b> AREG 16	<b>MAX: \$5,000</b>  <hr/> <b>MIN/Entry: \$0</b>	<b>Arizona Procurement Institute (API) Module: II</b> <b>Other Training:</b> Agency Standard Operating Procedures <b>Certification:</b> <b>Experience:</b> N/A  <hr/> <b>API Module: I</b>
<b>Procurement Technician or comparable classification</b> AREG 19	<b>MAX: \$50,000 w/ evaluation</b>  <b>\$50,000 (Request for quotations (RFQs) without evaluation)</b>  <hr/> <b>MIN/Entry: \$5,000</b>	<b>API Modules:</b> I, II and III <b>Other Training:</b> Agency Standard Operating Procedures <b>Certification:</b> <b>Experience:</b> 6 months  <hr/> In line with MAX for Proc. Assoc.



POSITION TITLE AND GRADE	RECOMMENDED DELEGATION LEVELS	RECOMMENDED REQUIREMENTS Training, Education, Certification, Experience
<b>Procurement Specialist or comparable classification</b> AREG 20	<b>MAX: \$500,000</b>  <hr/> <b>MIN/Entry: \$50,000 w/ evaluations</b>	<b>API Modules:</b> I, II, III, and IV Add V and VI if conducting request for proposals (RFPs) or evaluations. <b>Other Training:</b> As needed to perform duties. <b>Certification:</b> Certification in Arizona State Public Procurement (CASPP) within 6 months <b>Experience:</b> 2 years <hr/> In line with MAX for Proc. Tech
<b>SR Procurement Specialist or comparable classification</b> AREG 22	<b>MAX: \$Unlimited - not to exceed agency's delegated authority.</b>  <hr/> <b>MIN/Entry: \$250,000</b>	<b>API Modules:</b> <b>Other Training:</b> Negotiations <b>Certification:</b> CASPP, National Institute of Governmental Purchasing (NIGP) or Institute of Supply Management (ISM) preferred <b>Experience:</b> per classification
<b>Procurement Manager or comparable classification</b> AREG 24	<b>MAX: \$Unlimited - not to exceed agency's delegated authority.</b>  <hr/> <b>MIN/Entry: \$Agency delegation</b>	<b>API Modules:</b> I, II, III, IV, V, VI, 510, <b>Other Training:</b> Risk Management Workshop <b>Certification:</b> CASPP, NIGP or ISM preferred <b>Experience:</b> per classification



POSITION TITLE AND GRADE	RECOMMENDED DELEGATION LEVELS	RECOMMENDED REQUIREMENTS Training, Education, Certification, Experience
<b>Note:</b> SCC and Chief Procurement Officers are not classifications <i>per se</i> but are special designations.	<b>MAX: \$Unlimited - not to exceed agency's delegated authority.</b> <hr/> <b>MIN/Entry: \$N/A</b>	Training, education and delegation should be in accordance with responsibilities <hr/>

Note: Experience means experience in public procurement at the position title level or one step below.